

AMPLIO NETWORK



FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

**With
INDEPENDENT AUDITOR'S REPORT**

AMPLIO NETWORK

Financial Statements

December 31, 2022 and 2021

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*Certified Public Accountants
Valuation Analysts*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Amplio Network

Seattle, Washington

Opinion

We have audited the accompanying financial statements of Amplio Network (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amplio Network as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Amplio Network and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Amplio Network's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Amplio Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Amplio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Hanlin Moss Yi, P.S.
August 8, 2023

AMPLIO NETWORK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 ORGANIZATION AND OPERATION

Amplio was founded in 2007 to address global poverty by creating simple, cost-effective, technology-based solutions to empower low-literate people with access to knowledge. We focus on reaching the most marginalized and underserved populations in remote rural areas. Together with our partners and supporters, we deliver programs across many sectors, including agriculture, health, education, and women's empowerment.

Our solution is the Amplio Talking Book: a rugged, battery-powered audio device designed for people with low or zero literacy skills. It delivers hours of targeted content in any language. Users select and play messages on demand. They can also record their feedback. A built-in speaker allows families and groups to listen and learn together. Plus, there's no cost to the end-user.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

Amplio Network has adopted the Financial Accounting Standards Board Codification 958-205-45-2, "Financial Statements of Not-for-Profit Organizations", where Amplio Network is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

It is Amplio's policy to report as unrestricted revenues those temporarily restricted contributions for which the restrictions are released during the same year.

Method of Accounting

Amplio uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred. Amplio has allocated a portion of the salary and benefits of the administrative staff to the Management and General column shown in the Statement of Functional Expenses.

Revenue Recognition

Revenue is recognized upon invoices of talking books or receipt of donations. We have analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to confirm with the new standard.

Property and Equipment

Property and equipment are carried at cost. Depreciation, including amortization of capital leases (if any) is computed using the straight-line method over estimated lives ranging from five to ten years. Depreciation expense in 2022 and 2021 are \$4,293 and \$0, respectively.

Promises to Give

Contributions are recognized when the donor makes a promise to give to Amplio that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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Pledgers receivable

Pledgers receivable consist entirely of pledged contributions. Management is of the opinion that no allowance for uncollectible accounts is necessary, and none has been included. This is consistent with generally accepted accounting principles.

Concentrations

Cash in bank as of December 31, 2022 and 2021 is \$176,544 and \$354,505, respectively.

Inventory

Inventory is stated at the lower of cost or market value.

Functional allocation of expenses

The allocated expenses are based upon purpose of use. The costs of fundraising include the compensations paid for the assigned employee devoted to fundraising events, business development expenses and administrative expenses related. The costs of providing the programs and the costs of fundraising have been summarized on a functional basis in the statement of functional expenses.

Investments

Amplio has adopted FASB ASC 958-320-50-1, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under this FASB standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the balance sheet. Unrealized gains and losses are included in the change of net assets. Investment income gains and losses restricted by a donor are reported as increases/decreases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income, gain or losses are recognized.

Federal Income Taxes

Amplio is a non-profit organization exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in these financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Amplio considers all highly liquid debt instruments purchased with a maturity of three months, or less, to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through July 3rd, 2023, the date on which the financial statements were available to be issued.

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NOTE 3 UNEXPIRED LEASES

In July 2014, the Organization agreed to a five-year lease for facilities in Seattle. The organization renewed the lease for another 5 years on August 1, 2019 and modified the lease on January 1, 2022.

The present value of the unexpired leases as of December 31, 2022 and 2021 are \$85,254 and \$125,496, respectively. Generally accepted accounting principles require that the Organization disclose on its statement of financial position the estimated value of the unexpired lease and the associated lease obligation.

The values of unexpired leases and unexpired leases obligation as of December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Unexpired leases	\$ 85,254	\$ 125,496
Unexpired leases obligation	(85,254)	(125,496)